

Sub-Contracting in the Infrastructure Sector

The lucrative & synergetic game between the Actors

I _ References Clauses / Sub-Clauses of FIDIC

(i) _ SC04.4 [Sub-Contractors], (ii) _ SC05.2 [Nominated Sub-Contractor] : Engineer instructs/intimidates to deploy S/C in conjunction with (iii) - SC13.1 / .2. & .3 [Variation Procedure] with elevated evaluated prices [SC12.3 Evaluations]

II _ Considerations in all phases of the project cycle / hierarchical levels

What is to do / to check / to validate / to verify in order to carry out ...

- A _ Proper designed / “engineered” **Tender Dossier** with clearly described information in GCC+PCC
- A1 _ About the S/C like **name & address**
 - A2 _ **Date** of signing
 - A3 _ specified **Purpose** of the Contract :
 - supply of material / goods only ,
 - labour leasing only
 - equipment rent only
 - production of work packages, measured and paid in line of BoQ-items
 - A4 _ **Scope of works** covered plus ancillary / auxiliary / temporary works
 - A5 _ Details about the **quantity** of
 - material supply
 - skilled and unskilled labour leased
 - equipment rented
 - works package to cover defined BoQ-items and recorded in the SC04.21
 - A6 _ **28 days’ notice to commence S/C works** / planned commencement data
 - A7 _ Notice of **actual commencement** data
 - A8 _ Notice about **Planned and Actual completion** of the S/C works
 - A9 _ **Value** of the works in **local currencies** only, if allowed in foreign currencies too.
 - A10 _ Terms and **conditions of payment** (local + foreign currencies, **base date rate, i.e. 1,30 USD/Euro**)
- B _ Variation Procedures with “**elevated**” new quantities + rates/new prices subject to SC 12.3 [Eval]
- C _ accountable **Disruption & Delay Analysis** / forensic investigation and/or
- D _ credible **Technical & Financial Audits by our Team** www.ppe61.de/01.15.pdf

III _ Actions in Procurement phase, Implementation phase and DNP.

- 1_ **Validation and Verification** of the Facts gathered by Contractor’s evidences and Engineer’s recordings. Besides Minutes of meetings provide data to validate the consistency of the work programmes (SC08.3), rate of progress documented on a monthly basis and Monthly Progress Report (SC04.21). The S/C-data provides a good opportunity to trace back the reality on Site
- 2 _ Variation procedure with exaggerative **quantities and high elevated evaluated** rates/prices
- 3 _ **Disruption and delay analysis** can be carried out in comparison of the Work programme SC08.3 + Monthly Progress Report SC04.21, esp. (h) and the proper documentary evidences, monitored and controlled with the Engineer’s legal correspondences and his diary.
- 4 _ **Technical and Financial** audits helps to identify **discrepancies to claim or prevent in future.**

IV _ Identification of Commissions derived ... refer to File 04.4+SCBD.pdf

www.PPE61.de/04.4+SCBD.pdf Break Down of 20% Brokerage / Commissions / Provisions / Wealth 2nd income